

2.7 Financial Assistance for Retrofitting

(from FEMA's Homeowner's Guide to Retrofitting – FEMA P-312)

2.7.1 Federal Programs

FEMA and other Federal agencies have an array of financial assistance programs that assist States, communities, and individual property owners mitigate the negative effects of flood hazards. You may be eligible to receive financial assistance through one or more of these programs that will help pay for some of the retrofitting projects documented in this guide. Check with your local officials, the FEMA Regional Office for your State (Appendix C), your NFIP State Coordinator (Appendix D), or your State Hazard Mitigation Office (SHMO, Appendix E).

If a Presidential Declaration of a Major Disaster has been issued for your area, you may want to seek information from FEMA and the State and local government representatives supporting the post-disaster recovery of your community. Keep in mind, however, that the funding for these programs is limited and that often not everyone's needs can be met. Many Federal assistance programs provide grants to State and local governments, who must then set priorities for the use of the grant funds, including any potential use by individual property owners.

Help from FEMA

Increased Cost of Compliance

One of the benefits provided by the NFIP is Increased Cost of Compliance (ICC) coverage. If your home is covered by a Standard Flood Insurance Policy (SFIP), is in an SFHA, and has been declared by your community to be substantially damaged or repetitively damaged by flood, ICC will help pay for certain types of retrofitting. ICC coverage is available on most SFIPs.

If your home sustains a flood loss and the community has declared it substantially damaged or repetitively damaged, ICC will help pay the cost (up to \$30,000 effective May 1, 2003), for the following retrofitting methods:

- Elevating your home so that its lowest floor is at or above the BFE (see Chapters 3 and 5).
- Moving your home to another floodplain location on your lot and elevating it if this is the only location or moving your home out of the regulatory floodplain completely (see Chapters 3 and 7).
- Demolishing your damaged home (see Chapters 3 and 7).

Note: This section is not meant to be an all-inclusive description of Federal assistance. Following a Presidentially Declared Major Disaster, State and local officials will be briefed on the available types of post-disaster assistance.

As noted earlier, your community's floodplain management ordinance or law must include a requirement for substantial damage. Damage to a building, regardless of the cause, is considered substantial damage if the cost of restoring the building to its before-damage condition would equal or

exceed 50 percent of the structure before the damage occurred. Consult your local officials about determining the value of your home.

Some communities may have adopted a repetitive loss provision so that repetitively damaged buildings can qualify for an ICC claim payment. In order for buildings to qualify for a claim payment under ICC coverage as a “repetitive loss structure,” the building must be covered by a contract for flood insurance and incur flood-related damages on two occasions during a 10-year period ending on the date of the event for which the second claim is made, in which the costs of repairing the flood damage, on the average, equaled or exceeded 25 percent of the market value of the building at the time of each such event. Note that ICC availability under this provision applies only if the community has adopted a repetitive loss provision in the floodplain management ordinance or law. Also, note that, under the NFIP communities are not required to adopt a repetitive loss provision in their floodplain management ordinance or law.

Note: If a flood in your area is a federally-declared disaster, you must register with FEMA to obtain assistance. The directions at <http://www.fema.gov> will walk you through the application process.

Remember, communities with a more restrictive floodplain management ordinance or law may require a greater level of protection. If, for example, your community requires new and substantially improved or substantially damaged buildings to be elevated 1 or more feet above the BFE, ICC allows for an ICC claim payment up to the \$30,000 limit of coverage.

An ICC claim may also be paid for a combination of retrofitting actions. For example, ICC coverage allows for a claim payment for the cost of demolition and elevation at the same or another site within the SFHA. The ICC payment to demolish and elevate your home is limited to \$30,000.

To learn more about ICC coverage, review your SFIP and contact your insurance agent, your community floodplain management official, the FEMA Regional Office that serves your community (Appendix C), or the office of your NFIP State Coordinator (Appendix D). If a Presidential Declaration of a Major Disaster has been issued for your area, you can get help from the Mitigation and Insurance Desk at the local Disaster Recovery Centers.

Definition: The NFIP regulations define a **basement** as “any area of the building having its floor subgrade on all sides.” Note that the NFIP definition of basement does not include what is typically referred to as a “walkout-on-grade” basement, whose floor would be at or above the surface of the ground that touches the outside walls of the building on at least one side (see page 3-3). This ground surface is referred to as the “adjacent grade.”

Unified Hazard Mitigation Assistance Program

FEMA’s Hazard Mitigation Assistance (HMA) grant programs present a critical opportunity to protect individuals and property from natural hazards while simultaneously reducing reliance on Federal disaster funds. The HMA programs provide pre-disaster mitigation grants annually to States,

Territories, Tribes, and local communities. The statutory origins of the programs differ, but all share the common goal of reducing the loss of life and property due to natural hazards.

Applications for each program are submitted by State emergency management agencies on behalf of several subapplicants. Eligible subapplicants generally include State agencies, local governments, public colleges and universities, and others. Subapplications submitted by State agencies and local governments consist of projects for individual properties.

Five grant programs are currently included in the Unified HMA program:

The Hazard Mitigation Grant Program (HMGP) is authorized by Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (the Stafford Act), Title 42, United States Code (U.S.C.) 5170c. The key purpose of HMGP is to ensure that the opportunity to take critical mitigation measures to reduce the risk of loss of life and property from future disasters is not lost during the reconstruction process following a disaster. HMGP is available, when authorized under a Presidential major disaster declaration, in the areas of the State requested by the Governor. The amount of HMGP funding available to the Applicant is based upon the estimated total Federal assistance to be provided by FEMA for disaster recovery under the Presidential major disaster declaration.

The Pre-Disaster Mitigation (PDM) program is authorized by Section 203 of the Stafford Act, 42 U.S.C. 5133. The PDM program is designed to assist States, Territories, Indian Tribal governments, and local communities to implement a sustained pre-disaster natural hazard mitigation program to reduce overall risk to the population and structures from future hazard events, while also reducing reliance on Federal funding from future disasters.

The Flood Mitigation Assistance (FMA) program is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended (NFIA), 42 U.S.C. 4104c, with the goal of reducing or eliminating claims under the National Flood Insurance Program (NFIP).

The Repetitive Flood Claims (RFC) program is authorized by Section 1323 of the NFIA, 42 U.S.C. 4030 with the goal of reducing flood damages to individual properties for which one or more claim payments for losses have been made under flood insurance coverage and that will result in the greatest savings to the National Flood Insurance Fund (NFIF) in the shortest period of time.

The Severe Repetitive Loss (SRL) program is authorized by Section 1361A of the NFIA, 42 U.S.C. 4102a, with the goal of reducing flood damages to residential properties that have experienced severe repetitive losses under flood insurance coverage and that will result in the greatest savings to the NFIF in the shortest period of time.

The NFIP provides the funding for FMA, RFC, and SRL programs. The PDM, FMA, RFC, and SRL programs are subject to the availability of appropriation funding, as well as any program-specific directive or restriction made with respect to such funds. Furthermore, availability of the PDM and SRL programs is subject to anticipated reauthorization of the programs beyond September 30, 2009.

Table 2-1 provides a summary of eligible retrofit activities for each of the five programs in the Unified HMA program. More information about each program can be found on the FEMA HMA web site at <http://www.fema.gov/government/grant/hma/index.shtm>.

Table 2-1. Eligible Retrofit Activities by Program

Eligible Activities	HMGP	PDM	FMA	RFC	SRL
Acquisition/Demolition (for purposes of open space)	✓	✓	✓	✓	✓
Relocation	✓	✓	✓	✓	✓
Elevation	✓	✓	✓	✓	✓
Dry Floodproofing (historic residential structures)	✓	✓	✓	✓	✓
Mitigation Reconstruction					✓

Help from Other Federal Agencies

Several Federal agencies offer disaster assistance to communities and citizens. For a complete list of Federal assistance programs for which you may be eligible, visit <http://www.disasterassistance.gov>.

Small Business Administration (SBA)

SBA provides low interest disaster loans to homeowners, renters, businesses of all sizes, and private, non-profit organizations to repair or replace real estate, personal property, machinery and equipment, and inventory and business assets that have been damaged or destroyed in a declared disaster. Visit <http://www.sba.gov/services/disasterassistance/> for more information.

U.S. Department of Housing and Urban Development (HUD)

HUD provides flexible grants to help Cities, Counties, and States recover from Presidentially Declared Disasters, especially in low-income areas, subject to availability of supplemental appropriations. Visit <http://www.hud.gov/> for more information.

U.S. Army Corps of Engineers (USACE)

The USACE has the statutory authority to participate in flood protection projects that may include residential retrofitting (including elevating flood-prone homes and acquiring badly damaged flood-prone homes). Contact the appropriate USACE Division office for further information. You can find more information and contact information for your USACE Division office at <http://www.usace.army.mil>.

Natural Resources Conservation Service (NRCS), U.S. Department of Agriculture (USDA)

The NRCS has the statutory authority to participate in small watershed flood protection projects that may include residential retrofitting. Contact your local Conservationist for further information. More information is available at <http://www.nrcs.usda.gov>.

Other Assistance Programs

Other Federal programs intended to protect and improve the environmental quality of floodplains may offer financial assistance.

2.7.2 Non-Federal Help

Programs Sponsored by State and Local Governments

States, local governments, and flood control and drainage districts sometimes develop financial assistance programs to promote flood hazard retrofitting projects. Ask your local officials whether such a program exists in your community.

Voluntary Organizations

After floods and other major disasters, voluntary organizations often offer their services to support the rebuilding of homes. Occasionally, materials are donated and volunteers offer to provide labor that could be used to reduce the cost of a retrofitting project. Check with local officials, local service organizations, and homes of worship for information about such services. Note that you must obtain building permits and comply with all relevant regulations (including substantial damage requirements, if they apply), even if you receive assistance from voluntary organizations.

Environmental Interest Organizations, Including Land Trusts and Nature Conservancies

Numerous non-government, non-profit, and quasi-public organizations are dedicated to enhancing the environmental benefits of floodplains. Sometimes these organizations provide funds that can be used in the restoration or protection of the natural beneficial value of the floodplain.